

INFORMATION BULLETIN

JOB TRAINING PARTNERSHIP ACT

Number: B98-87

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: ADDITIONAL JOB TRAINING PLAN GUIDANCE AND DUE DATES

Information Bulletin B98-63 (February 9, 1999) provided information regarding the completion of adjustments and modifications to the Title II Job Training Plan and Title III Substate Agreement. Information Bulletin B98-73 (March 9, 1999) provided the final allocations for Program Year (PY) 1999. This bulletin provides additional guidance and the due dates for submitting the required second-year adjustment or modification.

GENERAL

The Job Training Plan and Substate Plan *Handbook of Instructions* for PY 1998 and 1999 (attachment to Directive D97-16) provides instructions for selecting the appropriate type of change (a modification, an adjustment requiring Private Industry Council [PIC] concurrence, or an adjustment requiring only the Service Delivery Area [SDA] administrator's authorization). As stated on page 9 of the instructions, modifications must be submitted at least 60 days prior to their effective date. As stated on page 10 of the instructions, adjustments must be submitted no later than 30 days prior to their effective date. However, SDAs are encouraged to submit them sooner, if possible.

PY 1998 ADJUSTMENTS AND MODIFICATIONS

The SDAs may need to submit adjustments or modifications to their PY 1998 (current year) job training plans. Reasons could include the incorporation of items such as the PY 1998 Title III 10 percent funds; Title II 5 percent incentive funds, including funds for the Employer-Assisted Benefits and Model Out-of-School Youth programs; previously approved fund transfers; other funding changes; or any of the other criteria for adjustments or modifications stated in the *Handbook of Instructions*. These PY 1998 changes may be included with the adjustment or modification required to incorporate the PY 1999 (second year) funds.

PY 1999 ADJUSTMENT OR MODIFICATION AND DUE DATES

In order to permit the timely release of the PY 1999 allocations, SDAs must submit either a plan adjustment by June 1, 1999, or a plan modification by May 3, 1999.

A modification would require the approval of both the PIC and the Chief Elected Official. If either the PIC or Chief Elected Official signature cannot be secured by May 3, please submit your unsigned modification on time and indicate when you plan to send the signed pages.

We direct your attention to the criterion at the bottom of page 10/top of page 11. **It permits adjustments to be used to incorporate all second-year funds into Job Training Plans**, as long as the percentage distribution of an SDA's second-year expenditures does not vary by more than 10 percent plus/minus the distribution shown in its initial Job Training Plan. (Pages 9 and 10 of the *Handbook of Instructions* do, however, specify other reasons why a modification may be required, depending on changes an SDA may choose to make.)

The definition of the 10 percent variance has caused some confusion in the past. We therefore provide the following clarifying example: If the Title II Proposed Distribution of Funds form in an initial Job Training Plan specified that 50 percent of PY 1999-00 Title II-A funds will be spent for Direct Training, an adjustment will suffice to submit a second-year Title II-A expenditure plan showing \$590,000 of a \$1,000,000 second-year Title II-A allocation to be spent for Direct Training (because the second-year plan's 59 percent, albeit now stated in dollars, falls within the allowable 10 percent plus/minus variance from the initially-planned 50 percent).

The State has requested an extension from the Department of Labor (DOL) of the PY 1998 waivers, which included the consolidation of cost categories into Program and Administration. However, because we have not yet received formal approval of the waiver extension, we ask that the cost category fund distribution be completed as indicated on the forms.

The federal Budget Act permits PY 1999 Title II-C funds to be expended starting April 1, 1999. We are working on setting up a subgrant process for delivering these funds to SDAs before July 1, 1999. Since fund release would be contingent on inclusion of funds in the appropriate Job Training Plan component, we will issue another information bulletin very soon that describes how to do this if an SDA wants to exercise the option to start using these funds before July 1, 1999. However, if an SDA chooses to not exercise this option, you can follow the current, in-place guidance for planning the PY 1999 Title II-C program.

PY 1999 TITLE III TEN PERCENT ALLOCATIONS

You will note that Information Bulletin B98-73 transmitted both the Title III 50 percent and the Title III 10 percent allocations. This is a change from the procedure of previous years, when the 10 percent allocations were transmitted later after polling the SDAs regarding whether they wished to receive this funding. Since historically most SDAs have chosen to receive the 10 percent funds, it was decided to release the allocations simultaneously with the 50 percent allocations. This will permit the prompt utilization of these funds and avoid the need for all 52 SDAs to submit a separate modification or adjustment to incorporate the 10 percent funds into the plans. The 10 percent funds should be added to the 50 percent funds on the expenditure plan. We ask that SDAs

not wishing to receive these funds notify their assigned program managers in writing as soon as possible. Alternatively, SDAs may choose to incorporate the 10 percent funds into the PY 1999 Job Training Plan and then release some or all of the funds in a subsequent adjustment or modification.

PLANNING FOR JOB TRAINING PARTNERSHIP ACT (JTPA) CLOSEOUT AND TRANSFER OF FUNDS TO THE WORKFORCE INVESTMENT ACT (WIA)

As you are aware, the JTPA program will end on June 30, 2000. This is why the Proposed Distribution Of Funds forms attached to Information Bulletin B98-63 do not allow for entries beyond that date. Nevertheless, it is our understanding that DOL will allow JTPA funds from PY 1999 to be designated for expenditure after June 30, 2000, for the following purposes:

Closeout costs: Although we have not received final written direction from DOL, we expect that some of the unexpended JTPA funds will be allowed for payment of closeout costs including: unliquidated obligations, late claims, unfunded liabilities, termination costs associated with subrecipient agreements, uncharged accrued leave, possible severance pay and unemployment insurance payments, records retention and storage costs, as well as the costs of audit, audit resolution, and debt collection activities, and those required to complete the closeout process.

Please note the funds designated for closeout costs are **not** the “two percent” JTPA funds that the WIA permits to be spent for transition to the WIA program. While at least half of the two percent funds must be made available to local entities to defray the costs of transitioning to WIA, **these funds can only be set aside and designated for use by State action.** Guidance on this funding will be provided separately. Therefore, SDAs may not budget the expenditure of PY 1999 transition funds in their PY 1999 plan adjustments.

Carryover funds: Although we have not received final written direction from DOL, we expect to be notified that funds not expended for JTPA purposes (either programmatic or for closeout activities) will be transferred into WIA, to be expended and reported under WIA.

Please enter your planned expenditures on the Title II-A/II-C and Title III Proposed Distribution Of Funds forms (transmitted with Information Bulletin B98-63). Note that there was a typographical error in the far right column of the Title II form: “Title II-A 82%” should have read “Title II-C 82%.” If the copy you are using contains this error, please make the appropriate correction, either typed or in pen-and-ink. Total Funds Available in the Funding Identification section and Total under Total Allocation Cost Category Plan on each form must reflect your entire PY 1999 allocation. For Title II-A/II-C and Title III, complete the Quarterly Total Expenditure Plan (cumulative) through the June 2000 line. The Title II-B form is designed to be completed through the March 2000 line. The reason that there is no Title II-B entry for the final quarter (i.e., June 2000) is that we assume all costs associated with the 1999 summer program will be paid for by the end of March 2000, and we understand that there will be no JTPA

allocation for the summer of 2000. If necessary, however, you may project expenditure of remaining PY 1998-99 Title II-B funds in the April through June 2000 quarter and, we think, even plan to carry unspent Title II-B funds into WIA, as discussed above and below.

Regarding funds planned for expenditure after June 30, 2000, (and for Title II-B, generally after March 31, 2000) for either JTPA closeout activities or ultimately for transfer to WIA, enter a statement to this effect in the "Comments" section at the bottom of each form. The amount will be the difference between the Total Funds Available and the amounts you propose to spend through June 2000 (March 2000 for Title II-B). **However, it is not necessary to enter the amount of total carryover or the amount planned for closeout activities.**

Carryover participants: Although we have not received final written direction from DOL, we expect to be notified that SDAs will not be required to design JTPA programs that will terminate all participants by June 30, 2000. Participant transfer to WIA is intended to be seamless. It is likely that some JTPA participants will need to continue training and services beyond June 30, 2000, and your plan adjustment or modification should reflect this. Therefore, you are not required to show all participants as terminated on the Participant Plan Summary forms (except for 1999 summer youth participants).

Since the WIA rules for delivering training will be substantially different from the JTPA procedures in many areas, we recognize that providing training for carryover participants may present some temporary operational or contractual problems. However, we urge that the focus of your planning be on the continuity of services to participants.

If you have any questions about this bulletin or any other aspects of the adjustment or modification requirements, contact your assigned program manager, or Karl Jaensch at (916) 654-8447.

/S/ BILL BURKE
Assistant Deputy Director